

# Companies rewarding good health with gifts

Employers and insurers increasingly reward people who reduce costs by using wellness programs.

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Longing for a new pair of hiking boots? Rack up 30,000 points. Rather get a free iPod or a kitchen mixer? Hang in there until 50,000 points.

It's the evolution of health care, where insurance companies are handing out gift cards, gadgets, cash and frequent-flier style points to get customers to take responsibility for their health.

Companies and employers are moving beyond free gym memberships and organic food at the office cafeteria. Now they're dangling prizes to motivate workers to lose weight, lower their blood pressure, quit smoking — and perhaps most important, curb spending on medical costs by kicking chronic health problems.

"It's really trying to change the dynamic of insurance from being a finance game to being a health-and- wellness game," said Dan Oftedahl, president of the Colorado market for Humana. "Instead of punishing, it's rewarding."

Humana's latest program, which became available in Colorado Jan. 1, dishes out points for completing a health questionnaire, signing up for an online weight-loss coach, getting annual pelvic exams and mammograms or logging daily steps on a pedometer.

Employees keep track of their points online and can cash them in for movie-theater tickets, golf clubs and gift cards to REI or Best Buy.

Kaiser Permanente is introducing a similar program this spring, rewarding consumers who complete health- risk assessments and courses on stress management, nutrition or weight loss.

The company is working with Amazon.com, Macy's and 1-800-Flowers for gift-card options.

The incentive programs could cost a lot upfront, particularly if employers are doling out batches of gift cards every month. But they eventually will pay off because employers "get better health-care costs and improved productivity for their employees," said Leo

Tokar, Kaiser's vice president of marketing, sales and business development for Colorado.

"People are trying to create a culture of health and wellness," he said.

The program is the latest phase in Kaiser incentives, which began a few years ago with free mammograms, wellness classes and "e-visits" with physicians in which patients chat with their doctors online. Kaiser soon hopes to reward consumers with gift cards for keeping up with cancer screens and annual checkups.

Paden Cormack, who works at the Denver Public Library, picked up a \$20 gift card to King Soopers after filling out a health survey when she switched to Kaiser. She spent the whole card on a two-for-one sale of fruits and vegetables.

"Of course, I could have bought M&Ms with it," she said. "Usually, the things you win are things that will help you continue. It's really fun to win things."

But more important than the gift card, Cormack — who sits in front of a computer all day writing catalog entries for library books — was inspired to create a fitness plan.

After the health assessment told her she needed to lose weight, she started using the pop-up calendar on her computer to remind herself when to exercise. At 7:30 a.m., a half-hour after she gets to work, Cormack's computer tells her to stretch. At 9:30, she leaves her basement office and heads to a quiet corner on the library's second floor for 15 minutes of tai chi.

She makes the half-mile trek around Civic Center every day before lunch and then sneaks in more stretching in the afternoon and another set of tai chi before she goes home.

Cormack, 53, has lost more than 20 pounds and wants to lose 100 more.

Some companies are skipping the gift cards and hoping money grabs more attention.

United Healthcare's "Vital Measures" rewards the healthiest employees and punishes the ones who smoke or are overweight.

The plan starts with a \$2,500 deductible, but customers can knock off up to \$2,000 by passing four health measures: \$500 off for not smoking, \$500 off for low cholesterol, \$500 off for healthy blood pressure and \$500 off for an ideal body mass index.

Policyholders are weighed and measured and provide blood samples for cholesterol tests and urine samples for nicotine.

"Not only do you feel better, you look better, but you have a direct credit back toward your deductible," said Chris Stanley, senior medical director with United Healthcare of Colorado.

So far, no employers have purchased the plan in Colorado. But Stanley says the era of high-deductible health plans is coming.

Several companies have begun gradual steps to move away from health plans that offer everyone the same flat \$20 co-payments for doctor visits and toward high-deductible plans that encourage employees to get healthier.

"Many employers are saying this is fascinating but it is too much of a step for our employees to do it right now," Stanley said.

"It's engaging in that personal responsibility," Stanley said. "It's engaging employers in particular with saying, 'I really need to start thinking about the health of my employees.' They end up being better workers. They are present more. There are not as many workman's-comp issues."

Federal research has shown that 80 percent of insurance claims in America would disappear with healthy lifestyle choices.

At StarTek, a Denver-based company that handles customer service for other corporations, employees who fill out Anthem Blue Cross Blue Shield questionnaires are getting \$10 credit cards. Company executives are hoping survey feedback inspires its 8,600 employees to get fit.

"We are also more transparent about health-care costs in an attempt to educate employees about the ramifications to their health and the costs to both themselves and the company," said Misti Molitoriss, senior director of compensation and benefits for StarTek.

The majority of the new incentive programs are geared toward large companies, which typically can afford to kick in more of the cost for employee health-care plans. Humana's rewards program is among the first available to companies with fewer than 100 employees.

Humana's program is partly in response to a state law that took effect Jan. 1 eliminating insurance companies' ability to slap higher rates on small employers with many sick, old or tobacco-using employees.

A proposal up for debate at the Capitol would push insurance companies to offer rebates to consumers, including those on individual plans, for completing wellness programs.

At Anthem, a 4-month-old program called "Healthy Lifestyles" allows employees to earn gifts for completing online programs to lose weight or quit smoking. The prizes are generally fitness-related — exercise balls, rubber resistance bands, pedometers and water bottles.

"It's slow to start," said Megan Smith, a senior account executive, "but money talks and people listen when you are talking about rewarding them financially."

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